

COASTAL CONSERVANCY

Staff Recommendation

January 29, 2004

STANLY RANCH WETLAND ACQUISITION

File No. 03-161

Project Manager: Mary Small

RECOMMENDED ACTION: Authorization to disburse up to \$160,000 to the California Wildlife Conservation Board for the acquisition of the 242-acre Stanly Ranch Wetlands property along the Napa River in Napa County.

LOCATION: The property is adjacent to the Napa River and immediately downstream of the State Highway 29 Bridge (Exhibits 1 and 2).

PROGRAM CATEGORY: San Francisco Bay Area

EXHIBITS

Exhibit 1: Project Map

Exhibit 2: Site Photos

Exhibit 3: Regional Water Quality Control Board Letter

Exhibit 4: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31164 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed one hundred sixty thousand dollars (\$160,000) to the Wildlife Conservation Board (“WCB”) for the acquisition of Parcels 8 and 18 of the Stanly Ranch in Napa County, as described in Exhibit 1 to the accompanying staff recommendation and incorporated by reference, for resource protection and public access, subject to the following conditions:

1. Prior to disbursement of funds, WCB shall submit for the review and approval of the Executive Officer of the Conservancy (“Executive Officer”):
 - a. All relevant acquisition documents, including, without limitation, the appraisal, purchase agreement, hazardous materials assessments, escrow instructions and title reports; and
 - b. A sign plan for the property.

2. WCB shall pay no more than fair market value for each property interest, as established in an appraisal approved by the Executive Officer.
3. WCB shall permanently dedicate the property interests acquired pursuant to this authorization for the protection of fish and wildlife habitat, and the provision of public access consistent with those uses.
4. Conservancy funding shall be acknowledged by erecting and maintaining signs on the properties, which have been reviewed and approved by the Executive Officer.
5. WCB may transfer its interests in the properties to a public entity or nonprofit organization acceptable to the Executive Officer for purposes consistent with resource protection and public access and subject to agreements and other instruments deemed appropriate by the Executive Officer.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Public Resources Code Sections 31160-31164, which authorizes the Conservancy to award grants to address resource and recreational goals of the San Francisco Bay Area.
2. The proposed acquisition is consistent with the Conservancy’s Project Guidelines and Selection Criteria, adopted by the Conservancy on January 24, 2001.
3. The proposed acquisition has the approval of the California Water Resources Control Board, San Francisco Bay Region, for eligibility for funding pursuant to Administrative Civil Liability Complaint No. 98-002.”

PROJECT SUMMARY:

The California Wildlife Conservation Board (WCB) will acquire fee title to two parcels of the Stanly Ranch property, totaling 242-acres, adjacent to the Napa River (Exhibit 1). The proposed action would authorize the Conservancy to disburse up to \$160,000 to WCB to help fund this acquisition.

The Stanly Ranch property refers to approximately 1,000 acres of historic tidal wetland and adjacent upland within the City of Napa. The property is owned by Stanly Ranch Vineyard LLC. The owner has agreed to sell 242 acres of wetland, Parcels 8 and 18, to WCB in fee title for the appraised fair marked value. In addition, Stanly Ranch Vineyard LLC will sell a conservation easement over 17 acres on Parcels 7 and 17 (Exhibit 1) to WCB. Conservancy funds will be used to pay for the 242-acre fee title acquisition. Stanly Ranch Vineyard LLC plans to develop vineyards and three wineries on the remaining upland property.

The Coastal Conservancy’s contribution is expected to come from Supplemental Environmental Project funds provided to the Coastal Conservancy pursuant to a settlement between the Regional Water Quality Control Board and one of its dischargers. These funds are designated for the purchase of wetlands adjacent and near the Napa River. The Regional Water Quality Control Board has approved this project as an appropriate use of these funds (see Exhibit 3).

Site Description: The property encompasses wetlands and historic tidal wetlands along the Napa River south of the bridge for State Highway 29. Today, some of the property functions as seasonal and permanent wetland. A portion of the property is currently grazed pasture. The site has tremendous potential for restoration to native marshland habitat once water circulation is restored.

The property is contiguous with more than 600 acres of wetlands to the north, which have been acquired and enhanced as part of the Napa River Flood Protection Project. When restored, this property is expected to provide habitat for the federally listed salt marsh harvest mouse, the California clapper rail and many other species. Restoration of the historic tidal wetlands and seasonal wetlands along the Napa River is a specific recommendation of the *San Francisco Bay Area Wetland Ecosystem Goals Report*. The *Goals Report* was developed with input from more than 100 scientists and agency representatives. The *Goals Report* provides scientific recommendations for wetland habitat restoration in the Bay Area.

In addition, these wetlands are valuable scenic open space. The property is at the southern “entrance” to the Napa Valley and it is the first and most visible open space as a visitor enters the Valley traveling north on Highway 29 (Exhibit 2).

Project History: The Stanly Ranch property, including the adjacent uplands, has been the subject of several controversial development projects. The Napa Land Trust and the State Department of Fish and Game have worked for years to acquire the wetland portion of this property. The landowner, Stanly Ranch Vineyards, LLC, is a willing seller who has excluded the biologically invaluable wetlands from their development proposal.

Stanly Ranch Vineyards, LLC purchased the property after a long series of developers failed to obtain approval for large-scale developments on this property. The current plan will develop several hundred acres of vineyard and three wineries on adjacent uplands. This plan involves significantly less development than the previous proposal which sought to place 600 housing units, a resort/hotel, and an 18-hole golf course on the site.

PROJECT FINANCING:

Coastal Conservancy	\$ 160,000
Wildlife Conservation Board	<u>1,340,500</u>
Total Project Cost	\$1,500,500

The Coastal Conservancy contribution is proposed to come from Supplemental Environmental Project funds provided to the Coastal Conservancy pursuant to Administrative Civil Liability Complaint No. 98-002. The terms of the Complaint transferred funds to the Coastal Conservancy for the purchase of wetlands adjacent and near the Napa River. The Regional Water Quality Control Board has approved the use of these funds for this project (Exhibit 3).

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project is consistent with This proposed project is consistent with the Conservancy's San Francisco Bay Area Conservancy Program enabling legislation, adopted in 1997 as Chapter 4.5 of Division 21 of the Public Resources Code.

Section 31162(b) directs the Conservancy to undertake projects and award grants in the San Francisco Bay Area that help to protect natural habitats, scenic areas, and open-space resources of regional importance. The wetland portion of the Stanly Ranch is both a valuable natural habitat and a regionally important scenic resource. The project will expand the protected lands along the Napa River, helping connect existing protected lands.

Consistent with §31162(c), the project will help implement the policies of adopted plans, including the general plans of Napa County. See detailed discussion under heading “Consistency with Local Plans.”

The project is consistent with §31162(d) in that it will provide open space and natural areas that are accessible to urban populations throughout the San Francisco Bay area. The Department of Fish and Game will provide public access along a path out to the river. The Stanly Ranch LLC has also voluntarily incorporated a location for the Bay Trail across the property, as described in the City’s General Plan.

The proposed project meets the criteria for priority projects set forth in §31163(d) because it is consistent with the City of Napa’s General Plan. The project is regionally significant, protecting habitat for endangered species and preserving scenic resources. Conservancy matching funds are needed and, if provided, the acquisition will be completed this spring.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 10, Objective A** of the Conservancy’s Strategic Plan, the proposed project will acquire 242 acres of historic wetlands in Napa County. The property contains significant habitat values and is contiguous with other protected wetlands. The acquisition involves a willing seller.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy’s statutory programs and purposes:** See the “Consistency with Conservancy’s Enabling Legislation” section above.
2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.
3. **Support of the public:** This project is supported by the Land Trust of Napa County, a local nonprofit organization. The project is also supported by the Friends of the Napa River, State Senator Chesbro, and Assemblywoman Wiggins. Letters of support are attached as Exhibit 4.
4. **Location:** The project is located within the City of Napa in Napa County. The project is within the jurisdiction of the San Francisco Bay Conservancy Program.
5. **Need:** Conservancy funding is needed to help complete this acquisition in a timely manner.

6. **Greater-than-local interest:** As discussed above, the project helps implement the Habitat Goals Report by enhancing historic tidal wetlands along the Napa River. The project will enhance habitat that is connected to the 600-acre wetlands to the north. The project will enhance habitat for federally endangered salt marsh harvest mouse and California clapper rail and will provide habitat for a number of other species. The project will also preserve scenic open space at the gateway to the Napa Valley.

Additional Criteria

7. **Resolution of more than one issue:** As discussed above, previous proposals sought to develop 600 units and a golf course on the Stanly Ranch site. This proposal will develop most of the upland property into vineyards while permanently protecting the wetland area.
8. **Leverage:** See the “Project Financing” section above.
9. **Readiness:** The Wildlife Conservation Board has approved a property acquisition proposal for these properties and is scheduled to consider funding for the remainder of the acquisition in March. An appraisal of the two properties has been approved by the Department of General Services. If approved, the acquisition will close in April.
10. **Realization of prior Conservancy goals:** Over the past 15 years, the Conservancy has played a major role in protecting and enhancing the resources of the Napa River and the Napa Marsh. Since 1988, the Conservancy has provided significant funding and technical assistance for development and implementation of the Napa River Flood Protection Plan, the Kennedy Marsh restoration project, and the Napa Sonoma Marsh Enhancement.
11. **Return to Conservancy:** See the “Project Financing” section above.
12. **Cooperation:** The Land Trust of Napa County, a nonprofit organization, has played a key role in coordinating this project. The project will be implemented through the cooperation of the private landowner, the nonprofit land trust and public agencies.

CONSISTENCY WITH COUNTY & CITY PLAN:

On March 11, 2003, the Napa City Council approved a revised plan that established the general plan designation of Resource Area (RA) over the entire ranch and allowed for its subdivision into eighteen parcels. The new subdivision created two lowland parcels, the subject of this acquisition. These parcels cannot be used for residential development because of their floodplain status. Acquisition of this property for habitat and open space is consistent with the General Plan designation of RA.

COMPLIANCE WITH CEQA:

The acquisition of the property is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations Section 15313, Acquisition of land for wildlife conservation purposes and Section 15325, Transfers of Ownership of Interest in Land to Preserve Existing Natural Conditions. Upon approval, Staff will file a notice of exemption upon approval of the project.